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BEFORE THE POSTAL REGULATORY COMMISSION WASHINGTON, D.C. 20268–0001

COMPETITIVE PRODUCT PRICES
PRIORITY MAIL & FIRST-CLASS PACKAGE SERVICE
CONTRACT 131 (MC2020–40)
NEGOTIATED SERVICE AGREEMENT

Docket No. CP2020-38

USPS NOTICE OF AMENDMENT TO PRIORITY MAIL & FIRST-CLASS PACKAGE SERVICE CONTRACT 131, FILED UNDER SEAL

(August 27, 2020)

The Postal Service hereby provides notice that the terms of Priority Mail & First-Class Package Service Contract 131, in the above-captioned proceeding, have changed as contemplated by the contract's terms. A redacted version of the amendment to Priority Mail & First-Class Package Service Contract 131 is provided in Attachment A, and the unredacted amendment is being filed under seal. The amendment will become effective three business days following the day that the Commission completes its review of this filing.

This amendment will not materially affect the cost coverage of Priority Mail & First-Class Package Service Contract 131. Therefore, the supporting financial documentation and financial certification initially filed in this docket remain applicable. The Postal Service hereby incorporates by reference the Application for Non-Public Treatment originally filed in this docket, for the protection of the customer-identifying information that has been filed under seal.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorney:

Sean C. Robinson

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ATTACHMENT A

REDACTED AMENDMENT TO

PRIORITY MAIL & FIRST-CLASS PACKAGE SERVICE CONTRACT 131

AMENDMENT #1 OF SHIPPING SERVICES CONTRACT BETWEEN THE UNITED STATES POSTAL SERVICE

AND

REGARDING PRIORITY MAIL AND FIRST-CLASS PACKAGE SERVICE

WHEREAS, the United States Postal Service (the "Postal Service") and ("Customer") entered into a Shipping Services Contract, Priority Mail & First-Class Package Service Contract 131/Docket No. CP2020-38, regarding Priority Mail and First-Class Package Service on October 29, 2019.

WHEREAS, the Parties desire to amend the terms in Sections I.F.3, I.G and V of the Contract, and to add new Tables E and F in Section I.G.

NOW, THEREFORE, the Parties agree that the Contract is hereby amended as detailed below. The existing Contract remains unchanged in all other respects. This Amendment shall become effective three (3) business days following the day on which the Commission issues all necessary regulatory approval.

[Replace Sections I.F.3, I.G and V of the Contract, and to add new Tables E and F in Section I.G, as follows.]

I. Terms

- F. [Unchanged.]
 - 1. [Unchanged.]
 - 2. [Unchanged.]
 - 3. Tier threshold (Total FCPS Packages). As outlined in Table D, the quarterly average volumes for Total FCPS Packages must be met in order to achieve the applicable First-Class Package Service Contract Package discounts in Section I.I, and Tables 6 through 10. If Customer fails to meet the minimum Total FCPS Package Commitment for Tier 1 discounts, the Postal Service in its sole discretion reserves the right to revert Customer to the most current First-Class Package Service Commercial prices in the subsequent Contract Quarter.

G. Price Calculation.

- 1. From the effective date of this Amendment through September 30, 2020, Customer will receive Tier 5 discounts for Priority Mail Contract Packages, pursuant to Table 5. Beginning October 1, 2020, subsequent tier pricing will be determined by the quarterly average of Total Priority Mail Packages shipped during the term of this Contract provided that shipping history prior to July 1, 2020 is excluded from the quarterly average calculation. Notwithstanding, the Postal Service may provide Customer with access to a higher tier than the tier earned per the calculation in this Section and Section I.G.2 below at its sole discretion.
- 2. Customized prices for this Contract will be based on a rolling four (4) Quarter average. Following September 30, 2020, the average will be based on the number of Total PM Packages shipped divided by the number of full Quarters achieved. For example, the quarterly average of Total PM Packages shipped for the period July 1, 2020 through September 30, 2020, will determine the tier pricing as of October 1, 2020. At the conclusion of the first four (4) full Quarters, pricing for subsequent Quarters will be calculated by the number of Total PM Packages shipped in the previous four (4) Quarters divided by four (4). At the conclusion of each Quarter, the Postal Service will calculate the number of Total PM Packages and the number of applicable Quarters to calculate and apply the appropriate rate table within fifteen (15) calendar days of the conclusion of that Quarter. Table E below illustrates the method in determining tier level and corresponding discounts.

Table E

Table E		
Contract Year (CY) 1	Tier Determination	
Quarter 4		
(July 1-September 30, 2020)	Tier 5 Pricing	
Contract Year (CY) 2	Tier Determination	
Quarter 1	Total PM Packages Shipped (CY1 Q4) ÷ 1	
Quarter 2	Total PM Packages Shipped (CY1 Q4 + CY2 Q1) ÷ 2	
Quarter 3	Total PM Packages Shipped (CY1 Q4 + CY2 Q's 1&2) ÷ 3	
Quarter 4	Total PM Packages Shipped (CY1 Q4 + CY2 Q's 1,2&3) ÷ 4	
Contract Year (CY) 3	Tier Determination	
Quarter 1	Total PM Packages Shipped (CY2 Q's 1,2,3&4) ÷ 4	
Quarter 2	Total PM Packages Shipped (CY2 Q's 2,3&4 + CY3 Q1) ÷ 4	
Quarter 3	Total PM Packages Shipped (CY2 Q's 3&4 + CY3 Q's 1&2) ÷ 4	
Quarter 4	Total PM Packages Shipped (CY2 Q4 + CY3 Q's 1,2&3) ÷ 4	

3. First-Class Package Service – Commercial Contract Package discounts for this Contract are based on a rolling four (4) Quarter average. The quarterly average calculation for Customer's Total FCPS Packages shipped, begins in Contract Year 1 Contract Quarter 4, starting with the volume shipped in Quarter 3 of Contract Year 1. Beginning in Contract Quarter 3 of Contract Year 2 and for subsequent Contract Quarters, the quarterly average will be determined by the quantity of Total FCPS Packages shipped in the previous four (4) Quarters

divided by four (4). At the conclusion of each Contract Quarter, the Postal Service will calculate the number of Total FCPS Packages and the number of applicable Quarters to calculate and apply the appropriate rate table within fifteen (15) calendar days of the conclusion of that Quarter. Table F below illustrates the method in determining tier level and corresponding discounts.

Table F

Contract Year (CY) 1	Tier Determination
Quarter 3	Tier 5 Pricing
Quarter 4	Total FCPS Packages Shipped (CY1 Q3) ÷ 1
Contract Year (CY) 2	Tier Determination
Quarter 1	Total FCPS Packages Shipped (CY1 Q's 3&4) ÷ 2
Quarter 2	Total FCPS Packages Shipped (CY1 Q's 3&4 + CY2 Q1) ÷ 3
Quarter 3	Total FCPS Packages Shipped (CY1 Q's 3&4 + CY2 Q's 1&2) ÷ 4
Quarter 4	Total FCPS Packages Shipped (CY1 Q4 + CY2 Q's 1,2&3) ÷ 4
Contract Year (CY) 3	Tier Determination
Quarter 1	Total FCPS Packages Shipped (CY2 Q's 1,2,3&4) ÷ 4
Quarter 2	Total FCPS Packages Shipped (CY2 Q's 2,3&4 + CY3 Q1) ÷ 4
Quarter 3	Total FCPS Packages Shipped (CY2 Q's 3&4 + CY3 Q's 1&2) ÷ 4
Quarter 4	Total FCPS Packages Shipped (CY2 Q4 + CY3 Q's 1,2&3) ÷ 4

V. Appeals

Customer may appeal a Postal Service decision regarding the calculation of prices, the amount of postage paid, or other implementation or operational issues under this Contract by submitting a written appeal via email, along with any and all supporting documentation, within thirty (30) calendar days of receipt of notification of the determination giving rise to the appeal to:

The appeal is forwarded to the Pricing and Classification Service Center (PCSC). The PCSC manager issues the final agency decision. Any decision that is not appealed as prescribed becomes the final agency decision.

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment to be duly executed as of the later date below:

NITED STATES POSTAL SERVICE Docusigned by:	
gned by:	
rinted Name: Timothy R. Costello	
tle: Vice President Sales	
8/24/2020	
ate:	

